

SELF SUPPORTING LOANS

Document Control Statement – This Policy is maintained by Financial Services. Any printed copy may not be up to date and you are advised to check the electronic copy on the City website to ensure that you have the current version. Alternatively, you may contact Customer Service on (08) 9186 8555.

1. OBJECTIVE

1. To provide incorporated community organisations with an opportunity to raise loan funds through Council at competitive rates.
2. To ensure that applicants applying for such loans adequately address the relevant criteria.

2. PRINCIPLES

Guidelines

- 2.1 Applications for self-supporting loans must be made in writing to the Chief Executive Officer, City of Karratha, PO Box 219, Karratha WA 6714.
- 2.2 Assessment of application will be based on:
 - a) Perceived ability for loan to be repaid in full, and for repayments to be made on time.
 - b) Organisations to provide audited financial statements for the preceding 3 years demonstrating their financial viability.
 - c) Ensuring that there is a perceived benefit to the wider community from the grant being given.
 - d) Clubs/associations must have been in existence for 5 years and clearly demonstrated a stabilised or increased membership.
 - e) Clubs/associations must clearly demonstrate an ability to remain a viable entity for a minimum of 3 years after the duration of the loan.
- 2.3 Organisations must provide Council with an end of year independently audited financial statement for each year of the loan.
- 2.4 Organisations must produce at Council's request a current profit and loss statement within three weeks of a request being made. Note that this is in addition to the end of year independently audited financial statement.
- 2.5 Any organisation who defaults on a loan, is not permitted to receive any further self-supporting loans from Council until the outstanding loan is repaid in full.
- 2.6 Council will not grant a further loan to any club/association who have an outstanding loan owing.
- 2.7 Organisations will need to provide adequate security.
- 2.8 Any default of loan re-payment will incur a cost to the Organisation of 10% per annum, unless arrangements have been made with Council, prior to the re-payment being defaulted.

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

4. REFERENCES TO RELATED DOCUMENTS

Nil

Policy Number:	CF-18
Previous Policy Number:	EXE-26, CS14
Resolution Numbers:	10259-Apr 1997; 12738-Sep 2002, 13497-Oct 2004; 14223-Oct 2007; 151979-Apr 2012; 154136-Aug 2018; 155008-May 2022
Last Review:	May 2022
Next Review:	May 2026 [Every 4 years]
Responsible Officer:	Manager Financial Services/CFO

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.